CONTRACT ALERT

Contract: AD040005-001, Paper, Office General and Specialty Statewide.

Procurement Specialist: Elmer Garcia

Unisource Worldwide is advising customers of an industry wide paper supply issue that may affect their ability to ship total quantity amounts against some single large customer orders (see Unisource memo below).

While current indicators put this as a low level issue lasting through the summer months, we recommend that customers perform need assessments (order quantities vs. actual needs) and explore using in-house allocation programs as a means to help offset this situation.

We will continue to monitor this situation and will provide updates as they become available.

Mr. Elmer Garcia Senior Contract Officer State of Arizona 100 N. 15th Avenue Phoenix, Arizona 85007

RE: White Commodity Papers

Contract AD0400005-001

Dear Elmer,

Confirming phone conversation of last Friday, the white copy papers are on allocation from the mills. We had hoped that the situation would ease up the middle of May, but it has not. Our buyers tell us this allocation of paper will last through June.

We have been trying to accommodate everyone's needs as best we can by mutual cooperation in anticipating a month's supply of product to the various agencies at a time...the main objective being to supply enough paper so that these agencies do not run out of paper.

While we realize some frustration, we're diligently doing everything possible on our side to fill the State's needs. While we have enough allocation to cover the monthly need, we cannot have a panic run on paper and jeopardize all of the agencies.

We would appreciate you passing this information on to the various agencies. If you have any questions, please call.

Sincerely, Charlie Thompson Business Manager Unisource Worldwide, Inc. 602 278-2516